

ORIGINAL

Decision No. 50189

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
WILLIAM BUTTS, an individual doing	:	
business as the William Butts Telephone	)	
Company to sell the property of said	:	Application
William Butts Telephone Company and the	)	No. 35491
application of REK BRYAN and LOREN E. BRYAN	:	
to purchase said William Butts Telephone	)	
Company and to mortgage the same.	:	
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O P I N I O N

In this proceeding the Commission is asked to make an order authorizing William Butts to sell and transfer the William Butts Telephone Company to Rex Bryan and Loren E. Bryan and authorizing the purchasers to issue a note in the principal amount of \$4,600 and to execute a mortgage of chattels and real property.

The application shows that William Butts owns a toll telephone line extending between Hollister, San Benito, Mulberry and Pinnacles National Monument, in San Benito County.<sup>1/</sup> He reports that his ranching and business activities do not permit him to devote sufficient time to the operation of the telephone properties and that therefore he desires and has made arrangements to sell the utility properties and business to Rex Bryan and Loren E. Bryan for the sum of \$4,600. It appears that the purchasers are residents in the telephone service area, that they have been engaged in operating the telephone property since May, 1953, and that financially they are in a position to take over and continue the operations.

<sup>1/</sup> William Butts reports his investment in telephone plant at the close of 1953 at \$5,678 and his revenues for the year at \$2,160, with net income of \$1,285 before provision for income taxes or owner's withdrawals.

The agreed terms provide for the payment of the purchase price in monthly installments of \$45.38 with interest at the rate of 5% per annum, the deferred payments to be represented by a note secured by a mortgage of chattels and real property. A copy of the form of the note has been filed in this proceeding as Exhibit B and a copy of the form of the mortgage as Exhibit D.

It does not appear that the proposed transaction will be adverse to the public interest and in our opinion the transfer should be authorized. The action taken herein, however, shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by Rex Bryan and Loren E. Bryan for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. William Butts may sell and transfer the properties comprising the William Butts Telephone Company to Rex Bryan and Loren E. Bryan on or before December 31, 1954.

2. Rex Bryan and Loren E. Bryan, in payment for said properties, may issue their promissory note, on or before December 31, 1954, in the principal amount of \$4,600 and may execute a mortgage,

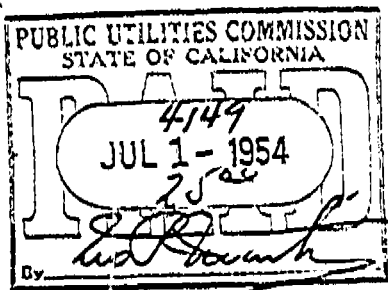
which note and mortgage shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit B and Exhibit D, respectively.

3. The rates, rules and regulations of William Butts now on file with the Commission shall be refiled within 30 days after the date of transfer under the name of Rex Bryan and Loren E. Bryan, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, Rex Bryan and Loren E. Bryan may file a notice of adoption of said presently filed rates, rules and regulations. No increase in the present rates shall be made unless authorized by the Commission.

4. Rex Bryan and Loren E. Bryan shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted will become effective when Rex Bryan and Loren E. Bryan have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 29<sup>th</sup> day of June, 1954.



W. E. Mitchell  
President

Justus J. Gainer  
Bernie J. Rogers

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Commissioners